GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1980
ANSWERED ON:10.12.2015
Capping of Third Party Insurance Claims
Patil Shri A.T. (Nana);Reddy Shri A.P. Jithender

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) the number of vehicles without valid insurance policy reported during each of the last three years along with the action taken to curb such instances;

(b) the details with regard to the extent of the liability for third-party insurance in case of death or injury in road accidents is covered;

(c) whether the maximum liability for third-party insurance claims in cases of death or injury in road accidents is proposed to be capped;

(d) if so, the details thereof along with the reasons therefor; and

(e) the steps being taken by the Government for quick settlement of claims?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) & (b) As per Section 146 of the Motor Vehicles Act, 1988, no person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force in relation to the use of the vehicle by that person or that other person, as the case may be, a policy of insurance complying with the requirements of the Act. The Ministry does not centrally maintain data of vehicles driving without valid insurance policy.

(c) & (d) Ministry of Road Transport and Highways is working on a proposal to replace the "Motor Vehicles Act, 1988" with a new Act namely "The Road Transport and Safety Bill, 2015" which inter alia proposes enhanced compensation through third party insurance and structured formula basis. In the proposed Bill, the maximum liability for minimum premium has been proposed for such sum not exceeding twenty-five lakh rupee as the Central Government may, by notification, specify.

(e) In the proposed Road Transport and Safety Bill, 2015 the National Authority shall develop the Unified Vehicle Registration System to integrate various stakeholders including manufacturers, insurance firms, centres of fitness certification, revenue departments of the Central Government, the State Governments, enforcement agencies, consumers and Motor Accident Claims Tribunal to provide and share information and efficient implementation.
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